

NEWS

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Pennsauken Woman Admits Scheme to Steal Tax Refunds of Relatives and Friends

(More)

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CAMDEN – A self-employed tax preparer pleaded guilty today to a two-count Indictment charging her with running a scheme to steal the federal tax refunds of her relatives and friends, which totaled well over \$10,000, U.S. Attorney Christopher J. Christie announced.

Evette Merritt, 42, a.k.a. “Evette Parker,” of Pennsauken, pleaded guilty before U.S. District Judge Robert B. Kugler to one count of conspiracy and one count of theft of government funds totaling more than \$1,000.

The Indictment, which was returned on June 21, 2006, charging Merritt and her son, George Merritt III, 21, of Philadelphia, describes a scheme in which the defendants used deceptive and manipulative practices in connection with the filing of taxpayers’ federal tax returns in order to gain control of the tax return funds for their own purposes. Evette Merritt was arrested on July 10, 2006, by Special Agents with the Treasury Inspector General for Tax Administration. George Merritt III surrendered to authorities a few days later.

According to the Indictment, from January 2002 through March 2003, Merritt was self-employed as a preparer of federal and state income tax returns.

At her plea hearing, Merritt admitted her involvement in the fraud conspiracy in which she and her son agreed to steal the federal tax refunds of their relatives and friends. Merritt admitted that she and her son opened two accounts at Citizens Bank in the name of George Merritt III, and that she maintained an account at Firsttrust Bank. She admitted the accounts were used to receive the stolen refunds.

During the time period covered in the Indictment, Merritt admitted that she completed and filed the federal and state tax returns of relatives and friends. Merritt had agreed with the victims to complete and file their tax returns in a fashion that would cause the IRS to mail their rebate check to their address, she admitted. Instead, Merritt fraudulently claimed on the tax return that the taxpayer had authorized their tax refunds to be electronically deposited into the banks account controlled by the defendants. In doing so, Merritt admitted she forged the signatures of the victims on the tax returns and the associated documents.

Merritt acknowledged that the Internal Revenue Service deposited the tax refunds into the afore-mentioned accounts and that she, along with her son, converted the refunds to their own use by withdrawing, transferring, and spending the tax refunds.

The case against George Merritt III, on both charges contained in the Indictment, is pending trial. Despite indictment, the defendant is presumed innocent unless proven guilty beyond a reasonable doubt.

Count One of the Indictment charging conspiracy carries a maximum penalty of 5 years in prison and a fine of \$250,000. Count Two of the Indictment which charges theft of U.S. funds carries a maximum penalty of 10 years in prison and a fine of \$250,000.

In determining an actual sentence, Judge Kugler will consult the advisory U.S. Sentencing Guidelines, which provide appropriate sentencing ranges that take into account the severity and characteristics of the offense, the defendant's criminal history, if any, and other factors. The judge, however, is not bound by those guidelines in determining a sentence.

Parole has been abolished in the federal system. Defendants who are given custodial terms must serve nearly all that time.

Christie credited Special Agents of the Treasury Inspector General for Tax Administration, under the direction of Special Agent in Charge John Butkovich of the Washington Field Division, with the investigation leading to the Indictment.

The Government is represented by Assistant U.S. Attorney Ronald Chillemi of the Criminal Division in Camden.

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Defense Attorney: Evette Merritt - Maggie Moy, Esq. Asst. Federal Public Defender